



February 8, 2011

Co-Chair Paul R. Doyle
Co-Chair Joseph J. Taborsak
Senator Kevin D. Witkos
Representative Rosa C. Rebimbas

General Law Committee:

We are submitting testimony in support of S.B. 864, An Act Concerning Grocery Store Beer Permits.

The Independent Connecticut Petroleum Association (ICPA) represents 564 petroleum marketers and their associated business in Connecticut. ICPA members employ over 13,000 people in our state and provide over 1,000 convenience stores with gasoline.

If passed, S.B. 864 would allow convenience stores (c-stores) where gasoline is sold to also sell beer. Today, c-stores compete with large chain and big box retailers who sell beer and gas. Most, if not all of these large retailers are owned by corporations that are based outside of our state and some cases outside of the country. Conversely, most c-stores are locally owned by individuals who reside in Connecticut.

The policy decision that S.B. 864 is asking you to consider, rests squarely on the question of whether locally owned c-stores should have the same ability to sell beer as well as gasoline, in the very same way that large out of state chain retailers like Stop & Shop currently have.

If this committee believes that out of state retailers, like Stop & Shop, should be allowed to sell beer and gasoline, but the Connecticut owned c-store should not, then a vote against this bill is in order. On the other hand, if the committee supports local businesses and the jobs that they provide you will vote in favor of S.B. 864 and allow for equal and fair competition.

You will likely hear testimony from liquor store owners who will argue that c-stores are eroding their business. Before that argument can be entertained, you should consider that liquor stores are allowed to sell core c-store products like cigarettes, lottery tickets, ice, and newspapers. Protections should not be provided to liquor stores, if they are not being provided to c-stores on their core products.

On one side, c-store owners are being squeezed by chain grocery stores who sell gasoline and beer. On the other side, c-stores are being squeezed by liquor stores that are allowed to sell cigarettes, lottery tickets, newspapers, ice and beer. C-store owners are being placed at a disadvantage, that has been created by the law, to enable chain grocery stores and liquor stores to participate in the sale of products that c-stores are not afforded.

We do not believe that it is the intention of the General Assembly to treat c-store's differently than chain grocery stores, and further we do not believe that it is fair to protect liquor stores while c-stores are placed at a competitive disadvantage.

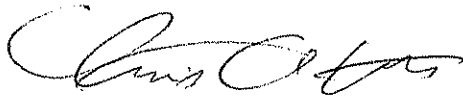
Lastly, we would point out that many New England states (including Massachusetts) and New York allow for c-stores, where gasoline is sold, to also sell beer.

Many consumers who live in Connecticut, but work in Massachusetts and New York, and travel across state lines every day, have little incentive to purchase beer in our state. For example, Massachusetts's gasoline tax is 20 cents per gallon (cpg) less than ours, and they also sell beer. Consumers will show no loyalty to local c-stores when we have laws that require them to pay 20cpg more for gas and do not provide them with the convenience of purchasing beer.

The end result of the competitive imbalance created by a law that makes it impossible to sell beer at a c-stores, coupled with significantly higher gas taxes is lower tax revenue for the state and reduced earnings for local businesses. This restricts growth, competition, and investment in Connecticut.

We ask that the General Law Committee **support S.B. 864**, An Act Concerning Grocery Store Beer Permits, and allow for equal competition between c-stores, chain grocery stores, and liquor stores while protecting us from competitive imbalance between Massachusetts and New York, that hurt local businesses and tax revenue for the state.

Respectfully,

A handwritten signature in black ink, appearing to read "Christian A. Herb", written in a cursive style.

Christian A. Herb
Vice President